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October 17, 1985

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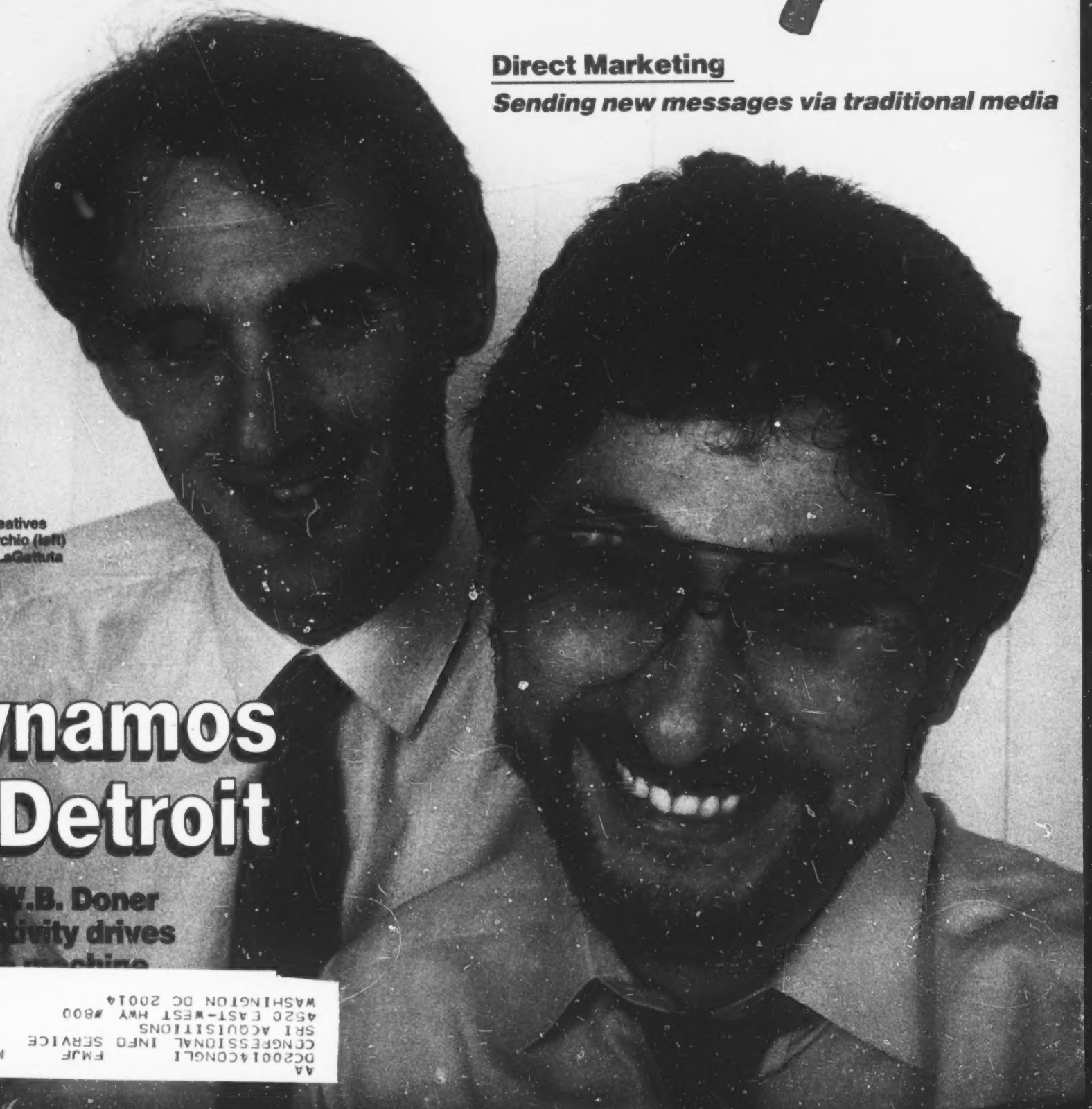
75¢ a copy; $55 a year

Advertising Age®
Tuesday
Crain's Magazine of the Creative Process©

Direct Marketing

Sending new messages via traditional media



Doner creatives John DeCerchio (left) and Steve LaGattuta

Dynamos in Detroit

At W.B. Doner creativity drives [illegible]

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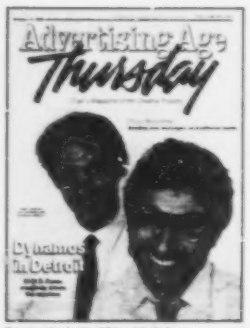
Thursday

Distinctive Doner

Good creative isn't easy. It just appears that way when the results are strikingly successful, as they have been at W.B. Doner & Co., Southfield, Mich., consistently the most honored shop in the Detroit area, the third-largest advertising market (based on billings) in the country. The agency won two Clios this year, one in tv for a Canadian Tire spot called "Screwdriver," the other in radio for a Highland Superstores spot called "Disclaimer." The same spots also won first-place Mobius Awards at the U.S. Television & Radio Commercials Festival. Other clients for whom Doner produced award-winning campaigns this year include the *Detroit Free Press*, the Michigan State Lottery and Canada's Wonderland. *See Page 4.*



Cover photo by Mary Heriehy

Giving positioning a buzz

When the Alfred A. Knopf publishing house was considering a new edition of Rosser Reeves' "Reality in Advertising," a continuing seller around the world since 1961, Mr. Reeves drafted, but ultimately did not publish, a chapter on "The New Buzzword." The chapter draft, and consultant Joe Sacco's comments, appear on *Page 13.*

Special Report—Direct Marketing

Traditional direct-response media find new users and high levels of creativity as alternative media try to get their foot in the direct-marketing door. *Starting on Page 15.*

This contest is for ad ideas that couldn't pass the test

By Stewart Alter

A new advertising awards show is in the works for great ideas that have gone a'glimmering.

The First International Animatics Festival will honor advertising that its creators thought was pretty hot stuff but that got thumbs down from pretesting.

"I know the brilliance that goes into advertising, and you start to wonder what happens along the way," said Peter Tannen, a former agency creative executive who hatched the idea for the show.

"When you rely completely on testing, there's a constant homogenization that goes on. There have got to be some brilliant ideas along the way that somehow got weeded out."

His call-for-entries letter, which will be sent to agencies shortly, phrases the creative frustrations of the advertising business even more strongly: "Are those commercials I see on tv the very best that our generation has created? Or are there some superb ideas that have been pushed aside and forgotten—ideas that fell victim to 'judgment by committee' or 'timid brand manager' or 'day-after recall'? Now we'll find out."

Mr. Tannen, who is now in a consultancy business with Joel Baumwoll, a onetime president of Needham Harper Worldwide/New York, has held a number of creative posts, including senior vp-creative director of Benton & Bowles, associate creative director of Campbell-Ewald/New York and international creative director of Foote, Cone & Belding in Canada and Australia.

Mr Tannen also has owned and run his own agency in Toronto.

For the First International Animatics Festival, work done since 1980 is eligible, though subsequent festivals will cover only one year. The deadline for entries is Dec. 31; the entry fee is $19.95 per animatic or two animatics for $35.

Photo by Arnold Koller

Peter Tannen is staging the First International Animatics Festival to honor commercial ideas that didn't make it into production.

Animatics are basically video versions of slide shows with music. They're unfinished translations of what the storyboard would look like on tv, used for testing purposes before the winning commercial idea triumphs in research and goes on to big-budget production.

Any animatic that has gone on to full production is ineligible, Mr. Tannen said. Anyone can enter, but recognizing the political realities of the business, animatics can be entered under pseudonyms.

However, as the rules point out, "If you win an award under an alias, accepting it at our Awards Dinner could be embarrassing."

If this contest idea catches on, a black-tie dinner will be held in the spring, at which awards will be given for four categories of animatics. They will be regular animatics (the slide show of illustrations accompanied by music); enhanced animatics (if something, i.e., a hand, toothbrush or car actually moves in the spot); photomatics (animatics that use either original or stock photos instead of drawings), and live-matics (which are cheap, rough versions of commercials that use live people and cost $5,000 to $10,000 to make, but are not meant for airing).

In each of those categories, awards will be given separately to 30-second spots and 60-second spots.

Only first and second prizes will be awarded.

The address of the company running this is the First International Animatics Festival, c/o Baumwoll & Tannen Associates, 888 Seventh Ave. (28th floor), New York 10106. ■

Presstime

SB&A lures 'Playboy'

CHICAGO—*Playboy* has named Smith Burke & Azzam, Baltimore, to handle its $1.2 million trade account, replacing Levy, Flaxman & Associates, New York (AA, Sept. 9). SB&A will be invited to pitch *Playboy's* $2.8 million consumer account, now in-house. CPM handles media buying for that business.

New scoop on Care Bears

CINCINNATI—Pierre's French Ice Cream Nov. 1 breaks spot tv, radio and newspaper ads for its Care Bears Ice Cream, a superpremium children's product. Distribution of the eight-flavor line, packaged in toy buckets, begins in East Coast markets. Ads are handled in-house.

Columbia taps Sealey

BURBANK, CAL.—Peter Sealey, exec vp-corporate marketing director, Columbia Pictures, succeeds Ashley Boone as president-domestic marketing, distribution group. Mr. Sealey, a former vp-manager, marketing operations, Coca-Cola Co., joined Columbia in 1983.

Seagram stands by ads

WASHINGTON—Jos. E. Seagram & Sons president Edgar Bronfman told an Oct. 15 press conference he is committed to running the company's controversial equivalency advertising campaign "until a majority knows and understands" the relative alcohol content of distilled spirits versus beer and wine. Mr. Bronfman formally announced the start of a $1.2 million cable tv ad campaign (AA, Oct. 14).

Kodak to appeal injunction

ROCHESTER, N.Y.—Eastman Kodak Co., found guilty of infringing on Cambridge, Mass.-based Polaroid patents by a federal judge in Boston, will appeal an injunction that bars it from manufacturing or selling instant cameras or film, effective Jan. 9. Kodak said it will not alter current marketing and manufacturing schedules, pending resolution of the appeal.

Stroh strikes during Series

DETROIT—Stroh Brewery Co. during the Oct. 19 World Series telecast breaks its new campaign for flagship Stroh's and Stroh's Light, themed "Stroh's is spoken here." The brewer told its distributors in Atlanta this week it will spend $50 million for the campaign in the next 12 months in order to position Stroh's as "a mainstream premium beer." Spot tv, radio, print, outdoor and point-of-sale support, via Marschalk Co., New York.

JWT tries sales promotion

LOS ANGELES—JWT here will start its first sales promotion division later in the month, headed by Mike Wiglesworth, formerly vp-director of sales promotion, Eisner & Associates, Baltimore. Separately, DFS/Southern California has started a six-member direct marketing arm, DFS/SC Direct, headed by former general manager Ayer-

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Vol. 56, No. 81—ADVERTISING AGE (ISSN 0001-8899) is published twice weekly except once a week the first week in January, the first week in July, the fourth week in November and the fourth week in December at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 740 Rush Street, Chicago, IL 60611. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, O. 44691. $1.25 a copy on Monday, 75¢ a copy on Thursday, $55 a year, $100 two years. Add $143 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, vp-circulation; ROGER DI GREGORIO, fulfillment director; HEIDI SCHULTZ, senior circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to circulation department, Advertising Age, 740 Rush St., Chicago, Ill. 60611 (312) 649-5200.

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Special Report

Steve Bowrick

Alternative media try to get their feet in the door

By Eileen Norris

Ask a marketing executive about the status of at-home shopping and you likely will hear a long sigh and then something like: "It's coming, it's coming . . . but it's not here yet." Not to any great degree, anyway.

The electronic two-way communications revolution we've been hearing about for more than a decade has yet to evolve. Mail is still king of the direct marketing hill, and the insurgents have yet to organize an effective coup or even to gain much recognition by the court.

Direct mail and catalogs each accounted for 24% of direct response offers that led to orders.

In its October, 1984, landmark study, New York-based Rapp & Collins and Simmons Market Research Bureau asked consumers how they learned of direct response offers that led to orders over a month's time. Direct mail and catalogs each accounted for 24% of the sources of information, followed by telephone and circulars at 7% each, magazine and newspaper ads at 6% each, Yellow Pages ads at 5% and "take-ones," tv commercials and bill inserts each were the source of information for 3% of the sample.

Interactive media pulled nary a percentage point.

"We never asked anyone if they had an interactive system," says Wally Lepkin, vp-research at Doyle Dane Bernbach, Rapp & Collins' parent company. "But they had plenty of opportunities to tell us about it and I'm sure it

(Continued on Page 58)

Eileen Norris, a frequent contributor to Special Report, wrote about remaining independent in the merger-intensive direct response business in last October's Direct Marketing section.

Alternative

(Continued from Page 15)
would have come out."

Lack of industry interest is not a factor in interactive media's marketplace obscurity. An astounding 80% of direct response professionals who responded to a recent Advertising Age mail survey on industry trends say new media and technologies will affect direct marketing significantly.

It's not that the new technology is lacking, either. The media forms are here—although at a consumer price tag that far outdistances the cost of answering the phone or opening the mail.

The major roadblock to this revolution is the great majority of consumers have not purchased the required technology. Therefore, advertisers are understandably leery of spending their money to reach a currently minuscule audience.

"Videotex will be a direct marketer's dream when it gets off and is operational because it is truly a two-way communication."

—Steve Dapper
Wunderman, Ricotta & Kline

Four media forms—cable, videotex, personal computers and videocassettes—are bandied about when folks look into their crystal balls and talk about interactive technology's potential in direct marketing. There is a lot of talk—and again, little action—about how they will restructure direct response.

Cable is the only category that has achieved some sense of reality, thanks to a 45.7% penetration rate, according to Cabletelevision Advertising Bureau. Cable also holds the greatest potential for direct marketers because it's very easy to sell a specific product to a specific audience on a particular cable show, says Steve Dapper, president-chief executive officer, Wunderman, Ricotta & Kline, New York. "For example, we advertise Columbia Record and Tape Club on MTV because we know the audience is right," he says.

But even cable is underutilized by direct marketers, says Sandy Clark, president of New York-based Clark Direct Marketing. Nevertheless, "tv is still the dominant influence in our lives and I think it will live with us the longest," he says.

Cable is here to stay because it has the largest penetration, says David Soskin, president of J. Walter Thompson Direct Network, New York. "Cable is good in terms of response because, No. 1, you can select your audience by the programing. No. 2, and more importantly, the subscriber is qualified in advance. He tends to be used to dealing through the mail; he probably pays his cable bill through the mail. You can use direct mail to support cable audiences."

Cable may hold the most fascination because it delivers a real audience. But in the not-too-distant future, videotex could become very big, much the way it has in Europe, says Jim Kobs, president of Kobs & Brady Advertising, Chicago.

Videotex encompasses a handful of systems that allow two-way communication from the home to the marketplace or vice versa. It operates through a standard tv set, a telephone and either a computer or a special control unit. Unlike cable, it is interactive—the user can select and manipulate the information.

It promises affluent consumers—primarily *only* affluent consumers because of its high equipment costs—the chance to shop at home. Advertisers are provided the opportunity to sell their wares through electronic brochures or catalogs or in direct response ads that run along the bottom of the screen. Consumers can dial a scrolled 800 number for more information on displayed products and services.

But videotex, too, has problems. The required equipment includes a dedicated videotex terminal, which ranges from $200 to $800 to purchase or $25 to $30 a month to rent. Because the terminal has only one use—videotex—a spokesperson for the Videotex Industry Assn. says most people opt for computer-based systems.

Even here the system is rather equipment intensive, demanding a personal computer; a modem, which costs between $100 and $800, and software, which can be free or cost $200 depending on the service. Add in service fees of $25 to $30 a month or $5 to $25 an hour and the potential market narrows.

"When it comes down in price, it could be *the* form of direct mail, exclusively," Mr. Dapper says. "But it's not a factor in the market yet and I'd say it's about five years off. Videotex will be a direct marketer's dream when it gets off and is operational because it is truly a two-way communication."

The bankroll required to buy and maintain a system poses the main problem, Mr. Kobs says, but future penetration will be strong. "There's the feeling among the big agencies that they won't use a medium unless there's a 30% penetration level; that it's not worth looking at for the most part." But, he says, "don't forget, even cable advertising was slow to get national advertiser acceptance."

Currently, the Videotex Industry Assn. reports 500,000 consumers subscribe to personal computer-based videotex services. The association does not have figures on the number of dedicated terminal-based consumers, although the spokesperson says it is significantly less.

It's one thing to have the technology but quite another to have customer acceptance, says Jonah Gitlitz, president of the Direct Marketing Assn. in New York. "People need these things in their homes to be a significant factor. Obviously, some of the new technology will be part of the media mix, but I don't think it will supplant direct mail."

With videotex still in the experimental stage, it's definitely not likely to reach the mass audience numbers by 1990, as predicted by some, JWT Direct's Mr. Soskin says. "There will be a slower build. The problem is hardware sales, which would be driven if videotex was available at a reasonable price."

Mr. Clark says videotex's biggest problem is it isn't very interesting to watch. "It's sort of bibliographic, like a research function. Somehow, it has to be made interesting," he says. "It's great on paper, but you don't run into many using it well."

Advertisers are afraid of new ideas because they don't want to be the first, especially if the idea turns out to be a bomb, he says. "Our clients are hesitant. There's little evidence or inclination to explore videotex yet."

The biggest disappointment to direct marketers looking for new ways to communicate to consumers has been the lackluster growth of the personal computer. Industry observers say the roller-coaster computer market possibly could be boosted by an option like videotex. "The fact that videotex can be a nice add-on for subscribers could be another reason to buy a personal computer," Mr. Soskin says.

The personal computer market's peak and valley sales personality is a result of overpromising—"a great deal of fanfare but not a great deal of utility," Mr. Kobs says. "I remember hearing computer companies suggest you could put your checkbook on your personal computer. Now that's great, but do people bring their personal computers with them when they go to cash a check at the supermarket? Some practical utility could help bring some dusty personal computers out of the closet," he says.

Even utility may not turn skeptical consumers into keypunching converts. "I think it's a mechanical achievement when you can blow your horn in your car," jokes Mr. Gitlitz. "A lot of us are not born with technology at our sides. But the children in elementary and high schools will be the consumers of electronic interaction because they have a greater acceptance of and immediacy toward it."

Technological penetration has not held back videocassettes' potential as a direct marketing tool because many people—20% of U.S. households, according to A.C. Nielsen Co.—own videocassette recorders. Direct marketers are just not taking advantage of the audience, Mr. Soskin says.

Alternative media don't make the mix

Initial sources of direct response orders during July, 1984

Direct mail	24%
Catalogs	24%
Telephone	7%
Circulars	7%
Magazine ads	6%
Newspaper ads	6%
Yellow Pages ads	5%
"Take-ones"	3%
Tv commercials	3%
Bill inserts	3%

Source: Simmons Market Research Bureau; Rapp & Collins

"There's no reason why Beech Aircraft, for example, couldn't send cassettes to 100 people it knew wanted to buy planes," Mr. Dapper says. "Those people are likely to have videocassette recorders and it would be a good bet." A detailed and highly targeted videocassette presentation probably is the industry's closest approximation of a personal sales call.

For all the negatives and skepticism surrounding interactive technology, some factors appear to be driving advertisers to at least consider the new media forms.

Some say interest has resulted from society's increasing technological bent. "That's how we're communicating today and that's how kids are being schooled," Mr. Dapper says. "The American populace is a tinkering one."

It also is an experimenting crowd with "a general desire to try something new," Mr. Kobs says. Advertiser interest will result from a desire to get a leg up on the competition, he says. "We've been hearing about interactive technology for 10 years or more and those that are not tired of hearing about how it's coming are actually trying it."

While soaring postal costs may have nudged direct marketers to expand the outlets available to reach customers, Mr. Soskin says the ability to highly define and target audiences is fueling the move to electronic interactive marketing. "It's a convenience factor, what with all the working couples. But more so, I believe it's the ability to segment and target special interest groups," he says. "When it's a part of enough people's lives, that's when we will be able to sell the media.

Direct market consumers follow from media to media, Mr. Soskin says. "We just have to get the environment correct for them," he says. The way to achieve the ideal climate is to present the new media forms as an intriguing and interesting consumer-oriented service.

Some of the conditions may be out of direct marketers' reach, Mr. Gitlitz says. "If we expect people to buy videotex or a pc, you have to make it economical. I just don't get the impression consumers are banging down the doors yet," he says.

Cable already is a viable medium for direct marketers; videotex, personal computers and videocassettes may never be common. Many agree the impact of all of the technologies will be felt, however.

The changes certainly will affect the way consumers buy products, the experts say. "It will be service oriented, because you can get the products you need just about anywhere," Mr. Dapper says. "We'll be buying the service, not really the product."

Department stores and catalogs should be able to latch onto these new electronic media forms beautifully, Mr. Clark says. Home shopping and banking are the two categories that will be affected most, Mr. Soskin says, basically because the concept is sensible and attractive enough to appeal to a mass of consumers.

While a majority of the public may not know about the new media forms or their capabilities, once their neighbor has it, watch out, Mr. Kobs says. He predicts that when the forms fit the life style of the working couple, their popularity will soar because of their ability to handle shopping needs and allow access to information for time-starved consumers.

That day of reckoning may be a bit down the electronic highway. "If I put my optimist's hat on, I'd say, yes, down the road . . . probably," Mr. Gitlitz says.

His observation may be a little too pessimistic. Others say they know it's coming; they just don't know when.

One thing is certain. It's a subject direct marketers cannot ignore. As one marketing executive puts it, "You certainly don't want the technology to sneak up on you." By the looks of things, that won't happen.

Associate editor Ed Fitch coordinated this report on Direct Marketing.

Coming

Next week Advertising Age's Special Report will focus on Healthcare Marketing.